

CLEVELAND PUBLIC LIBRARY  
BUSINESS INT. DEPT.  
CORPORATION FILE

ANNUAL REPORT

1928

OTIS & CO.  
STATISTICAL LIBRARY

MAY 24 1929

NOT TO BE TAKEN AWAY

THE GRAND UNION  
COMPANY

WOOLWORTH BUILDING  
NEW YORK

# THE GRAND UNION COMPANY

## CONSOLIDATED BALANCE SHEET

### ASSETS

#### Current assets:

Cash in banks, on hand, and on call	-	-	-	-	\$1,734,458.59
Accounts receivable, net of reserves:					
Coffee trading accounts	-	-	-	\$200,738.50	
Trade and miscellaneous	-	-	-	290,592.30	
Advances to agents	-	-	-	52,725.20	544,056.00
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Inventories:					
Merchandise, materials and supplies,					
at cost	-	-	-	\$4,762,082.70	
Premiums advanced to customers, at cost				123,194.94	4,885,277.64
					<hr/>
Prepaid expenses, insurance, taxes, etc.	-	-	-	-	67,857.64
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Total current assets	-	-	-	-	\$7,231,649.87
Investments, at cost	-	-	-	-	67,355.63
Employees' deposit funds	-	-	-	-	2,674.07
Real estate, at cost	-	-	-	-	413,441.62
Machinery, fixtures and equipment, at cost	-			\$1,596,545.60	
Less, Allowance for depreciation and					
revaluation	-	-	-	543,871.40	1,052,674.20
					<hr/>
Good will, trade-marks, etc.	-	-	-	-	3,443,368.79
Deferred charges to operations	-	-	-	-	223,835.28

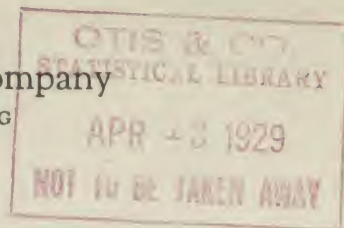
\$12,434,999.46

We examined the accounts of THE GRAND UNION COMPANY and the above statement sets forth correctly the financial position of the combined earnings of The Grand Union Company and its Subsidiaries for the fiscal year only from the date of their respective acquisition.

New York, February 25, 1929.

# The Grand Union Company

WOOLWORTH BUILDING  
NEW YORK



February 28, 1929.

TO THE STOCKHOLDERS:

May 24-22 U.S. HG  
In submitting this first annual report of The Grand Union Company, it may be pertinent to say a few words about the organization and the progress of your company since its formation. The Grand Union Company, as our stockholders doubtless know, was organized in May 1928, to take over the businesses conducted by Jones Brothers Tea Company, Inc., and its subsidiaries (The Grand Union Tea Company, Grand Union Grocery Stores, and the Progressive Grocery Stores) and the Oneida County Creameries Company. During the latter half of the year we acquired the businesses of Japan Tea Company of St. Paul, Minnesota, Minnesota Tea Company of Duluth, Minnesota, and King Koffee Kompany of Indianapolis, Indiana.

Our Company, as now constituted, together with its subsidiaries, operates in New York, Pennsylvania, Massachusetts, Connecticut and Vermont, six hundred and fifty chain grocery stores, one hundred of which in addition to selling a full line of groceries handle also fresh meats and vegetables; one hundred and twenty wagon route stores (extending from Salt Lake City, Utah, to Portland, Me.) out of which approximately eleven hundred men sell non-perishable merchandise consisting of Teas, Coffees, Baking Powder, Extracts, etc. These men work on a commission basis. We also conduct in New York City, a green coffee jobbing business.

We feel that progress has been made during the year both from the standpoint of the old predecessor companies and the new companies acquired during 1928. Generally speaking, market conditions have been favorable with the exception of green coffee. Prices of this commodity have been high, and this has had an adverse effect on our wagon route and jobbing businesses, of which coffee represents a very large proportion of the sales. Experience for years past has shown that high green coffee prices react unfavorably on profits in the wagon route and coffee jobbing businesses.





Fortunately, however, this condition has been more than offset this last year by an improved showing in our chain grocery stores.

During the year our main headquarters and warehouse have been moved from Brooklyn into a new and modern warehouse in the Bronx. This will result in substantial economies of operation and transportation. The Executive, Financial and Purchasing Departments are now located in the Woolworth Building, 233 Broadway, New York City.

To those stockholders who followed our suggestion that they exchange their Jones Brothers Tea Company, Inc., common stock for voting trust certificates representing common stock of The Grand Union Company, it will be of interest to note a comparison of the results of the operations of Jones Brothers Tea Company, Inc., for 1927 with those of The Grand Union Company for 1928. The ratio of current assets to current liabilities of the Jones Brothers Tea Company, Inc., at the end of 1927 was two and one-half to one, whereas in The Grand Union Company at the end of 1928, the ratio was five and one-half to one. Working capital of Jones Brothers Tea Company, Inc., at the close of 1927 was \$2,128,193.19, and that of The Grand Union Company at the end of 1928 was \$5,885,313.64. The cash position of your company at the end of 1928 was \$1,734,458.59 as compared with \$332,894.12 of Jones Brothers Tea Company, Inc., at the end of 1927. As shown in the income statement which is being sent herewith, on the average number of shares outstanding during the year, there were earnings available for Grand Union common stock of \$1.60 per share, whereas in the case of Jones Brothers Tea Company, Inc., no earnings were available in 1927 for common stock due to the fact that there were arrearages of approximately \$2,000,000.

It is our opinion that 1929 will show marked progress over that of last year not only in the business we are handling at the present time but also as a result of our plan to continue expansion by acquiring other companies and opening additional units of our own as rapidly as favorable opportunities present themselves.

Respectfully submitted,

J. SPENCER WEED,  
President.



# PANY AND ITS SUBSIDIARIES

E SHEET, December 29, 1928

## LIABILITIES

### Current liabilities:

Notes payable, banks	-	-	-	-	-	\$22,500.00
Acceptances under bankers' credits for importation of coffee						356,111.99

### Accounts payable:

Coffee	-	-	-	-	\$212,367.38	
Trade	-	-	-	-	639,998.55	852,365.93

Accrued expenses, pay roll, insurance, property taxes, commissions, etc.	-	-	-	-	-	32,376.82
Employees' deposits payable	-	-	-	-	-	23,696.85
Accrued federal income taxes	-	-	-	-	-	59,284.64

Total current liabilities - - - - - \$1,346,336.23

Mortgages on real estate - - - - - 33,500.00

Reserves for unredeemed premium tickets and contingencies - 177,413.24

Minority stockholders of subsidiary company - - - 33,780.82

\$1,591,030.29

## CAPITAL

### Capital stock:

Convertible preference stock without par value:

Authorized 500,000 shares, of which issued and outstanding at December 29, 1928, 161,976 shares of \$3 dividend series - \$8,098,800.00

Common stock without par value:

Authorized 1,000,000 shares, of which issued and outstanding at December 29, 1928, voting trust certificates for 239,726 shares - - - 902,724.00

\$9,001,524.00

Surplus (initial, capital and earned) \$2,063,655.17

Less, Dividends Paid - - 221,210.00

Net Surplus - - - - - 1,842,445.17 10,843,969.17

\$12,434,999.46

its Subsidiaries as at December 29, 1928, and we certify that, in our opinion, companies at that date. The appended income account fairly reflects the net ended December 29, 1928, the earnings of its acquired interests being included

LYBRAND, ROSS BROS. & MONTGOMERY  
Accountants and Auditors

MAY 24-32 OTIS HG

CONSOLIDATED INCOME ACCOUNT  
for the year ended December 29, 1928

Sales to customers	-	-	-	-	-	\$31,972,132.97
Cost of sales:						
Merchandise, supplies, prizes, labor, warehouse expense and freight and trucking to stores, etc.	-				\$25,253,861.73	
Depreciation of plant and warehouse equipment	-	-	-	-	33,550.72	25,287,412.45
Gross profit	-	-	-	-	-	6,684,720.52
Selling and general expenses:						
Store expenses, salaries of clerks, managers and superintendents and other expenses	-	-	-		\$5,433,298.82	
General expenses	-	-	-		527,646.77	
Depreciation of distributing equipment, etc.	-	-	-	-	144,525.07	6,105,470.66
Profit from operations	-	-	-	-	-	579,249.86
Add:						
Miscellaneous income, interest, etc.	-					95,200.45
						<u>674,450.31</u>
Deduct:						
Interest and discount on notes payable	-	-	-			54,149.91
Net income, before allowance for federal income taxes	-	-	-	-	-	\$620,300.40
Allowance for federal income taxes	-	-	-			52,000.00
Net income	-	-	-	-	-	<u><u>\$568,300.40</u></u>

**Note:** After providing out of the above net earnings for dividends of \$3 per share upon the average number of Preference shares outstanding during the year, the residual earnings are equivalent to \$1.60 per share on the average number of voting Trust Certificates for common stock outstanding during 1928.